Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

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Contents

Subscription Information

The next release is Sept. 7, '06

WEEKLY HIGHLIGHTS

Mississippi Gulf Grain Transportation Shows Strong Recovery 1 Year After Hurricane Katrina
Almost a year after Hurricane Katrina made landfall on August 29, 2005, the year-to-date **grain export inspections** in the Mississippi Gulf for the week ending August 24 have totaled 1.3 billion bushels. This represents a 14 percent increase over the same period last year and 2 percent above the 4-year average. As total U.S. year-to-date grain inspections have increased by 11 percent from 2005, the Mississippi Gulf port region is keeping up with the pace.

Panama Canal Delays May Push U.S. Gulf to Japan Rates Higher; Ocean Spread Up
Last week, maintenance work created a 90-ship backlog for vessels transiting the canal. The delay was up to five days for vessels without a slot reservation, and the number of daily transits was reduced from 38 to about 26. As of August 31, the U.S. Gulf-to-Japan ocean rate was $48.54 per metric ton (mt) – a 6 percent increase from a week earlier. The Gulf-PNW spread was $13.95 per mt - a 9 percent increase from last week.

High Barge Rates and Ocean Spread Boost PNW Exports and Demand for Rail
Increasing ocean spread and high barge freight rates**,** combined with unusually high unshipped corn and soybean export balances increased rail demand and **PNW grain export inspections.**

Barge Volumes Drop, Follow Seasonal Trend
For the week ending August 26, **barge grain shipments** decreased to 466 thousand tons, a 40 percent drop as compared to last week. Although this is a significant drop, barge volumes decline seasonally during August and September and rise significantly in October as corn and soybean harvests progress. Year-to-date grain shipments are up 6 percent from last year.

DHS Revamps Transportation Workers Identification Credentials (TWIC) Implementation
In response to public comments, the Transportation Security Administration and the Coast Guard issued an email notification stating that facility and vessel owners and operators will not be required to purchase or install card readers during the first phase of the TWIC implementation. The original rulemaking provides guidelines for the background check process and issuance of the TWIC and allows for the federal government to begin issuing TWICs by the end of the year.

Snapshot by Sector

Grain Inspections
Grain export inspections for the week ending August 24, were down 7 percent in the Mississippi Gulf and down 4 percent in the Texas Gulf, but increased by 10 percent in the PNW.

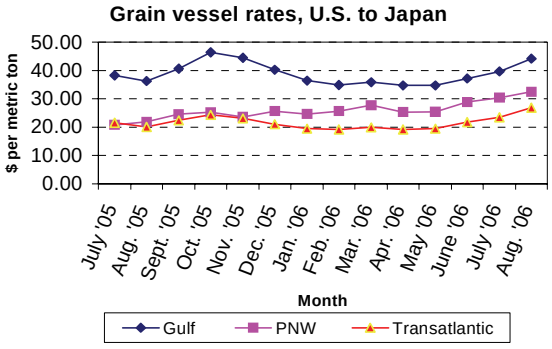
Rail
Rail grain deliveries to PNW for the 4 weeks ending August 23 are up 9 percent from last year and 62 percent above the 4-year average; to the Mississippi Gulf - up 45 percent from last week and up 438 percent from last year (past 4-week average).

Ocean
Forty-six **grain vessels** were loaded during the week ending August 24, and 53 vessels were due to arrive during the next 10 days—28 and 8 percent more than the previous year, respectively.

Fuel
The U.S. average **diesel fuel** price for the week ending August 28 was $3.03—0.2 percent lower than the previous week but 17 percent higher than the same week last year.

Feature Article/Calendar

Ocean Freight Rates Update: Upward Rates Creep or New Trend? After a period of decline, ocean freight rates for the traditional grain routes have started to increase. A year ago, in August 2005, the ocean freight rate for shipping grains from the U.S. Gulf to Japan was a little over $36 per metric ton (mt), the rate from the Pacific Northwest (PNW) to Japan was about $22 per mt., and the rate from the U.S. Gulf to Rotterdam (Transatlantic) about $20 per mt (see figure), its lowest for 24 months. The Gulf-to-Japan rate was at its lowest in 22 months, and the PNW-to-Japan rate was at its second lowest. The decline in rates was due to the addition of new vessels and delayed retirement of older vessels. Other reasons for the declining rates included softened global economic growth, reduced port congestion, and monsoon rains in India. In addition, China was implementing policies to curb overinvestment in the steel sector, thereby weakening the demand for raw materials.



Source:Baltic Exchange (www.balticexchange.com)

The rates increased briefly during September and October 2005, and then declined from November 2005 through February 2006. Although the rates started to decrease in November, they were high enough to make the 4th quarter average higher than those in the previous quarter. The relatively high 4th quarter rates were partly due to an increase in the demand for multipurpose vessels resulting from increased break-bulk trade in the Middle East and developing markets worldwide. In addition, rebuilding of the U.S. Gulf Coast following hurricanes Katrina and Rita triggered imports of construction materials on break-bulk vessels, further increasing the demand for multipurpose vessels.

This second wave of declining rates that began in November 2005 continued until February 2006, resulting in lower 1st quarter rates for the Gulf-to-Japan and Gulf-to-Rotterdam routes. The Gulf-to-Japan rate averaged about $36 per mt while the Gulf-to-Rotterdam rate averaged close to $20 per mt during the 1st quarter of 2006. The Gulf-to-Japan rate was the lowest since the 3rd quarter of 2003, while the Gulf-to-Rotterdam rate was the lowest since the 1st quarter 2003. Although relatively low at $26 per mt, the PNW rate increased slightly compared to the previous quarter. Lower 1st quarter rates were due in part to the New Year and the Far East holidays. Rates increase slightly during the middle of February due to increased activity after the holidays and continued port congestion in the Pacific—especially in China and Australia. The rates remained relatively stable until the middle of May 2006.

However, the rates began to increase towards the end of May and continue to stay relatively high. As of this August 31st, monthly average rates for shipping grain to Japan from the U.S. Gulf were approximately $45 per mt, and about $33 from the PNW. The rate for the transatlantic route averaged a little over $27 per mt. These figures represent 24-, 50- and 35-percent increases, respectively, from a year earlier. The relatively high ocean rates can be attributed to higher fuel costs, increased Chinese demand for steel and iron ore, and strong demand to move minerals and grains, particularly in the Atlantic market. In addition, these rates are driven by high expectations in the freight futures market. Although rates have increased lately, it is not likely they will reach the level experienced in 2004 when the rates hit the highest levels recorded in recent history. The freight industry boom that occurred in 2004 encouraged ship owners to delay the retirement of older vessels and purchase new vessels. The resulting increase in supply capacity should be able to absorb an increase in demand for shipping bulk commodities in the foreseeable future.

Ocean Freight Spread Increasing. As of August 31st, the spread between ocean freight rates for the U.S. Gulf and PNW routes to Japan was $13.95 per mt, the highest since the 1st week of January. The higher spread may be attributed to increased export activities from the Gulf relative to PNW. However, if the spread continues to expand, the trend may be reversed in favor of the PNW.
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean	
				Gulf	Pacific
08/30/06	203	541	316	210	238
08/23/06	204	405	322	204	236

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

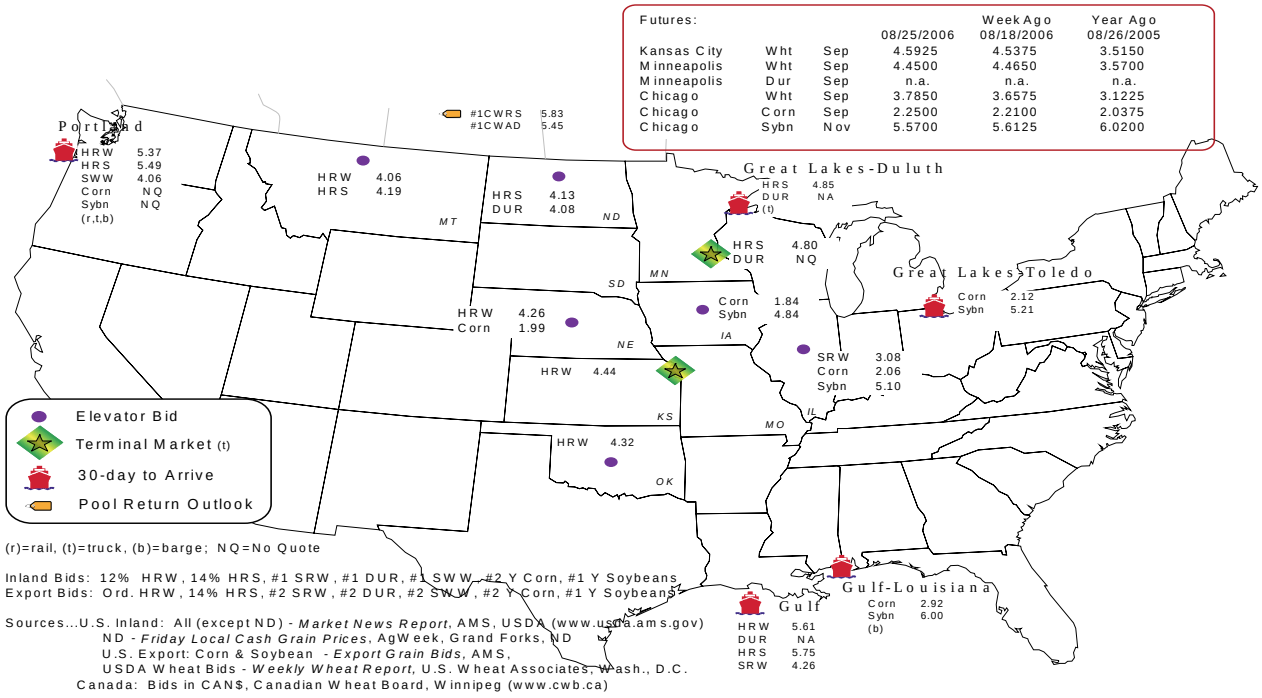
Commodity	Origin--Destination	8/25/2006	8/18/2006
Corn	IL--Gulf	-0.86	-0.87
Corn	NE--Gulf	-0.93	-0.92
Soybean	IA--Gulf	-1.16	-1.14
HRW	KS--Gulf	-1.17	-0.99
HRS	ND--Portland	-1.36	-1.26

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
8/23/2006[p]	2,372	2,037	959	3,685	349	9,402
8/16/2006[r]	1,631	2,063	771	3,996	547	9,008
2006 YTD	53,783	68,451	28,727	137,787	15,058	303,806
2005 YTD	28,827	59,821	40,671	141,758	7,958	279,035
2006 YTD as % of 2005 YTD	187	114	71	97	189	109
Last 4 weeks as % of 2005 [3]	538	68	88	109	1,026	122
Last 4 weeks as % of 4-year avg.[3]	n/a	85	82	162	406	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

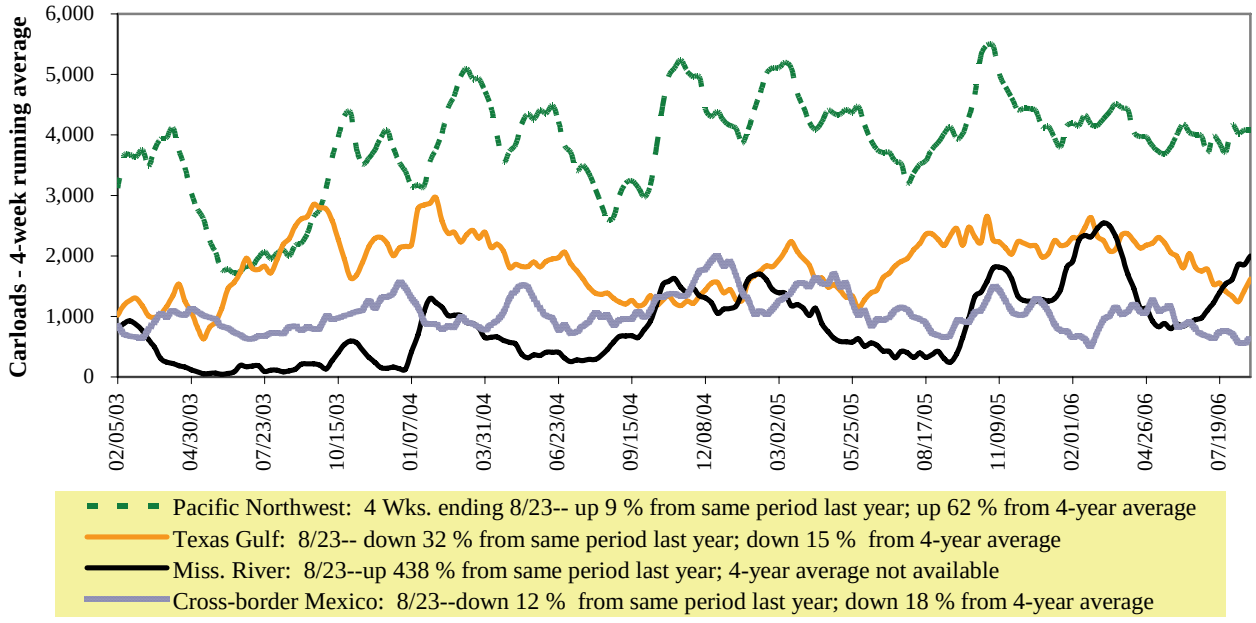
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

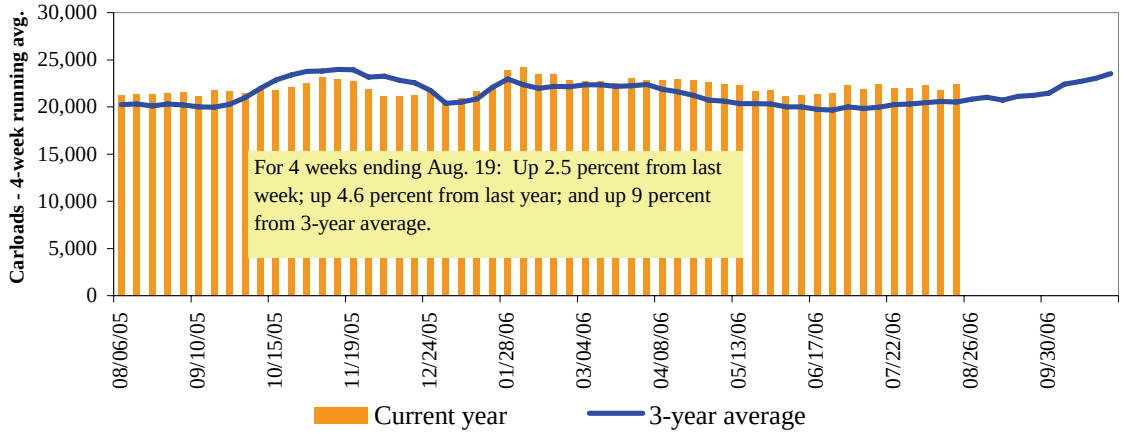
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/19/06	3,129	3,512	10,207	606	5,908	23,362	5,383	4,751
This week last year	2,474	2,634	8,407	765	6,447	20,727	4,357	4,253
2006 YTD	102,151	107,000	320,608	18,688	194,060	742,507	157,026	144,022
2005 YTD	96,685	107,225	297,882	19,281	197,593	718,666	135,901	132,492
2006 YTD as % of 2005 YTD	106	100	108	97	98	103	116	109
Last 4 weeks as % of 2005[1]	124	113	108	91	88	105	127	103
Last 4 weeks as % of 3-yr avg.[1]	131	108	118	99	89	109	123	101
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period							
8/26/2006	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]								
COT grain units	no offer	n/a	no offer	no offer	no offer	375	no offer	339
COT grain single-car[5]	no offer	n/a	no offer	n/a	no offer	n/a	0..52	n/a
UP[4]								
GCAS/Region 1	no offer	n/a	no offer	no offer	no offer	no offer	no offer	no offer
GCAS/Region 2	no offer	n/a	no offer	no offer	no offer	no offer	no offer	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

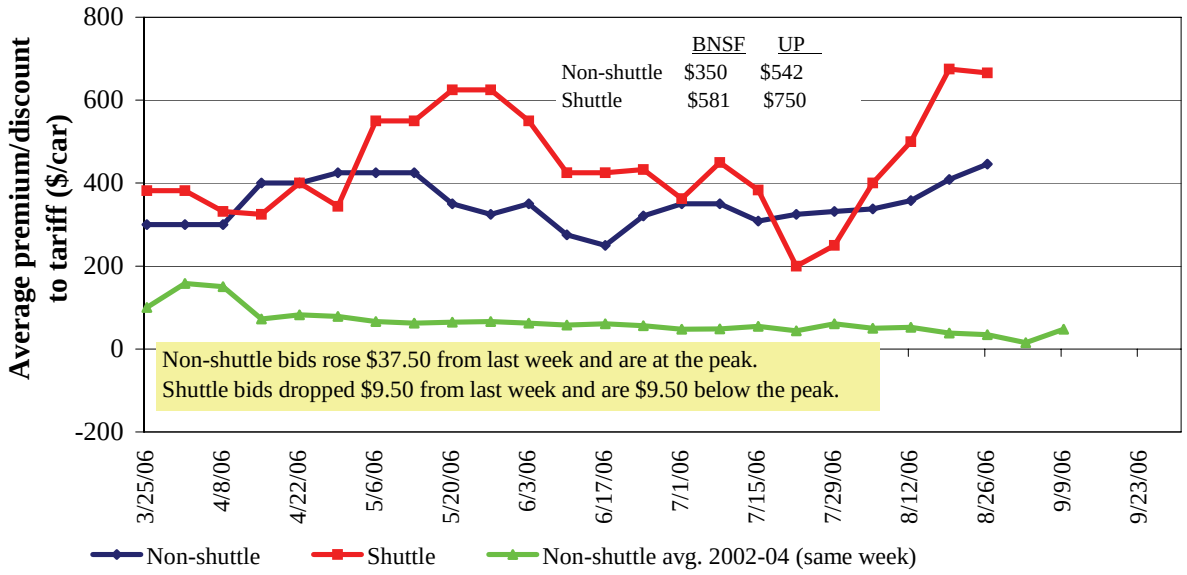
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



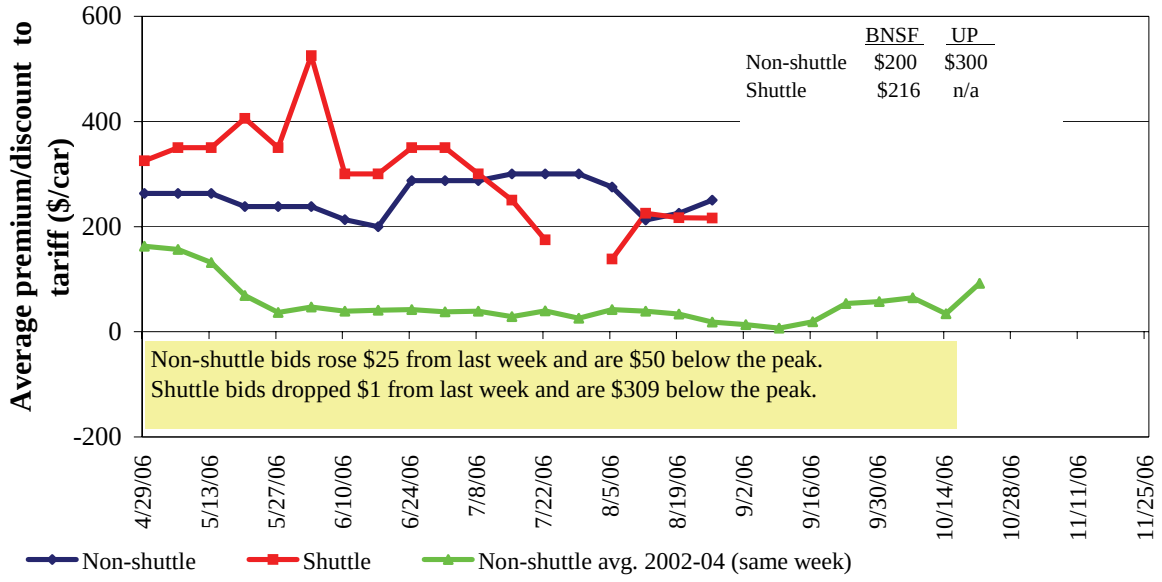
Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market



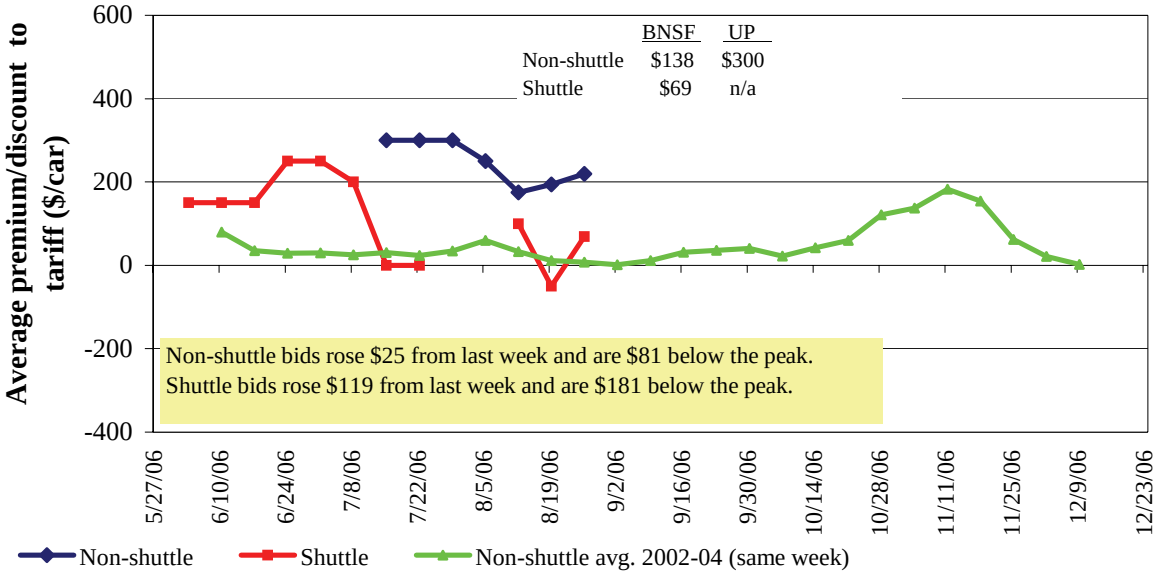
Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in December 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Excluded 2005 from the 3-year non-shuttle average due to abnormally high rates following Hurricanes Katrina and Rita.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
8/26/2006	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
Non-shuttle						
BNSF-GF	350	200	138	n/a	n/a	n/a
Change from last week	50	0	0	n/a	n/a	n/a
Change from same week 2005	-194	-247	-306	n/a	n/a	n/a
UP-Pool	542	300	300	n/a	n/a	n/a
Change from last week	25	50	50	n/a	n/a	n/a
Change from same week 2005	34	-100	-63	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	581	216	69	n/a	n/a	n/a
Change from last week	-19	-1	119	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	750	n/a	n/a	n/a	n/a	n/a
Change from last week	0	n/a	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 8/7/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,349	116	$47.94	$1.30
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$1,920	105	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date:	08/07/06						
Commodity	**Origin state**	**Border crossing region**	**Train size[1]**	**Tariff rate[2]**	**As % of same month last year**	**Rate per metric ton**	**Rate per bushel[3]**
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

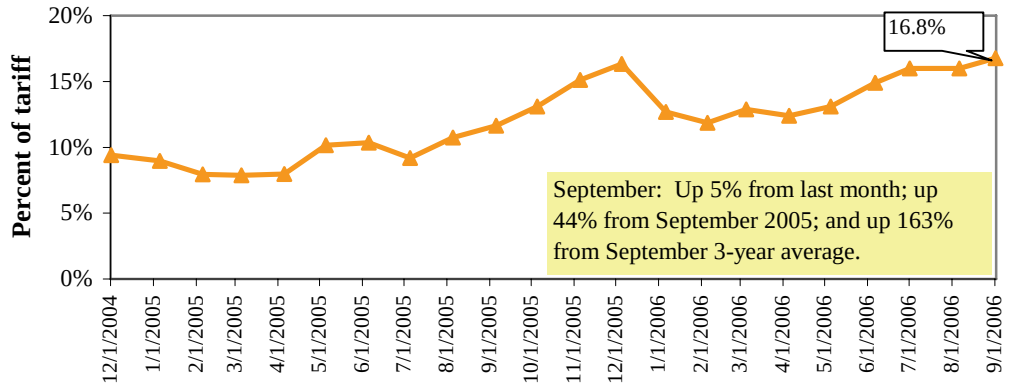
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]

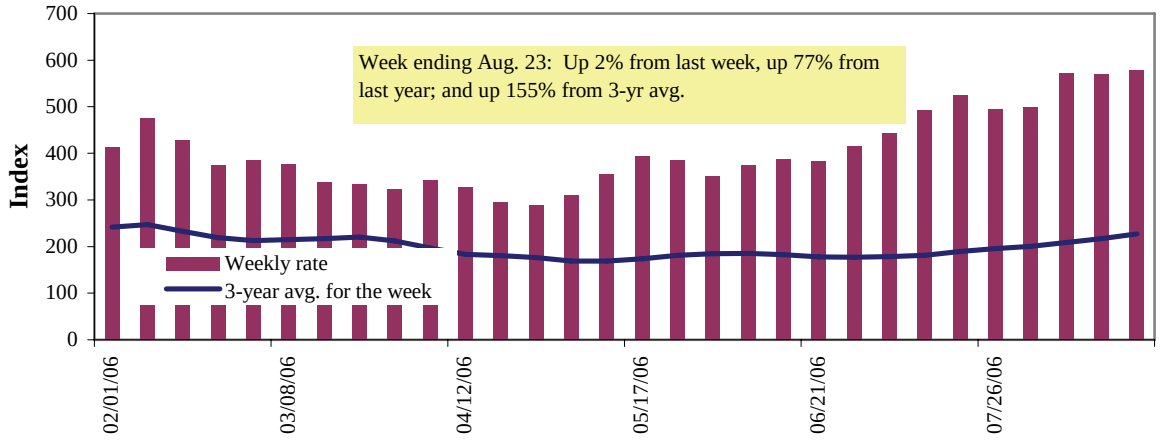


[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8
Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average
Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	8/23/2006	603	558	579	572	567	568	542
	8/16/2006	570	571	569	553	557	557	551
$/ton	8/23/2006	37.33	29.69	26.87	22.82	26.59	22.95	17.02
	8/16/2006	35.28	30.38	26.40	22.06	26.12	22.50	17.30
Current week % change from the same week:								
	Last year	61	75	77	62	70	68	46
	3-year avg. [2]	128	138	155	162	163	162	158
Index	September	637	641	638	628	641	641	624
	November	596	551	537	510	526	526	482

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9
Benchmark tariff rates

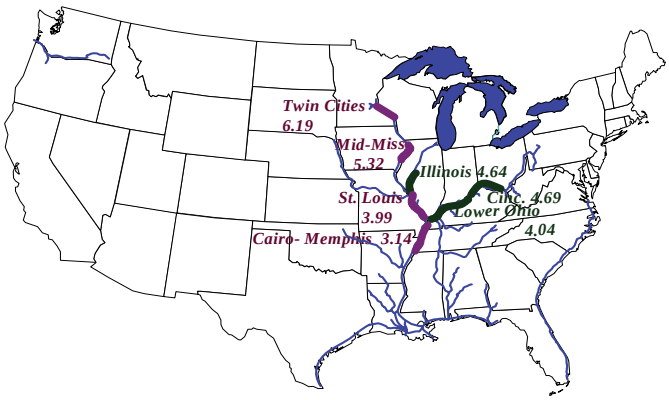
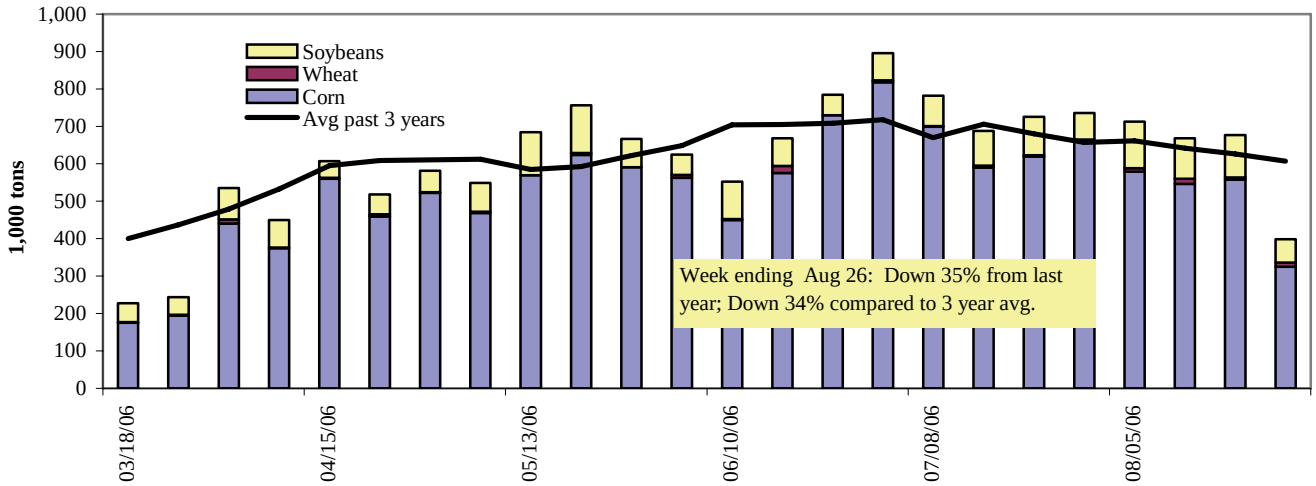


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/26/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	165	6	43	2	215
Winfield, MO (L25)	238	9	59	2	308
Alton, IL (L26)	340	11	64	0	415
Granite City, IL (L27)	325	11	62	0	397
Illinois River (L8)	138	2	13	0	152
Ohio River (L52)	18	2	11	6	36
Arkansas River (L1)	0	16	7	9	33
Weekly total - 2006	343	29	79	14	466
Weekly total - 2005	580	34	62	14	691
2006 YTD[1]	17,982	910	4,191	476	23,559
2005 YTD	16,110	1,179	4,549	470	22,308
2006 as % of 2005 YTD	112	77	92	101	106
Last 4 weeks as % of 2005[2]	89	97	143	117	96
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

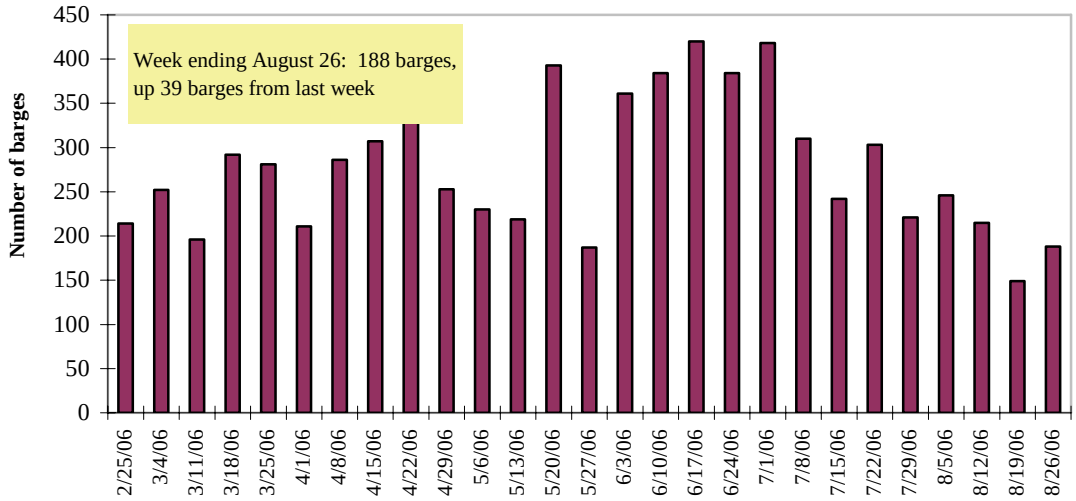
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

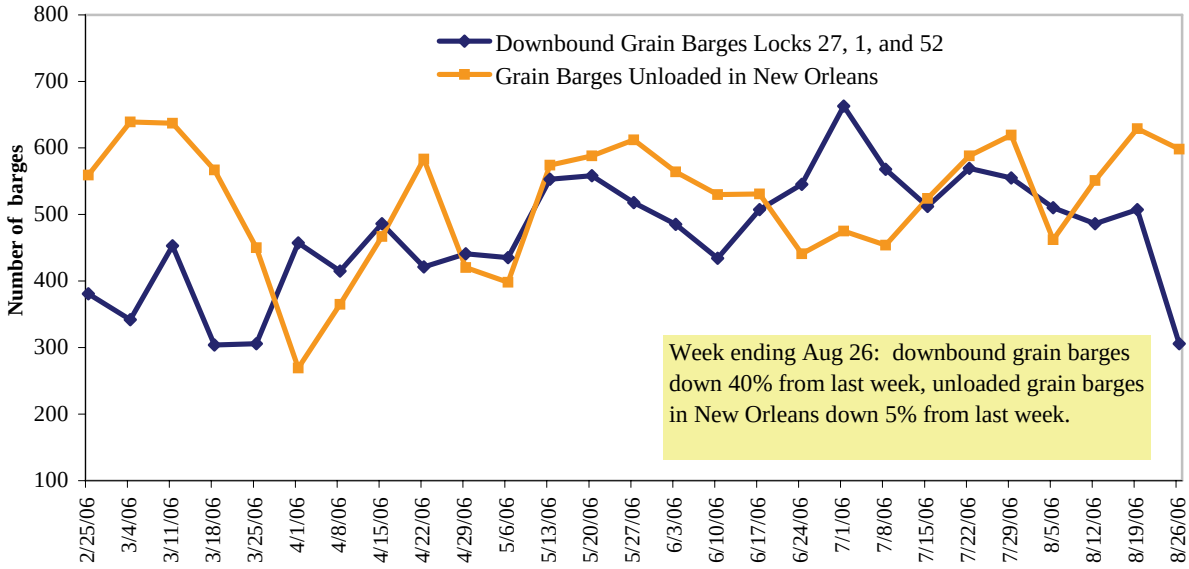
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 8/28/06 (US$/gallon)

			Change from	
Region	Location	Price	Week ago	Year ago
I	East Coast	2.955	0.002	0.391
	New England	3.035	-0.014	0.386
	Central Atlantic	3.074	-0.004	0.420
	Lower Atlantic	2.897	0.007	0.379
II	Midwest[1]	3.026	-0.015	0.494
III	Gulf Coast[2]	2.923	0.000	0.415
IV	Rocky Mountain	3.346	-0.003	0.620
V	West Coast	3.229	-0.008	0.309
	California	3.200	-0.021	0.155
Total	U.S.	3.027	-0.006	0.437

[1]Diesel fuel prices include all taxes.

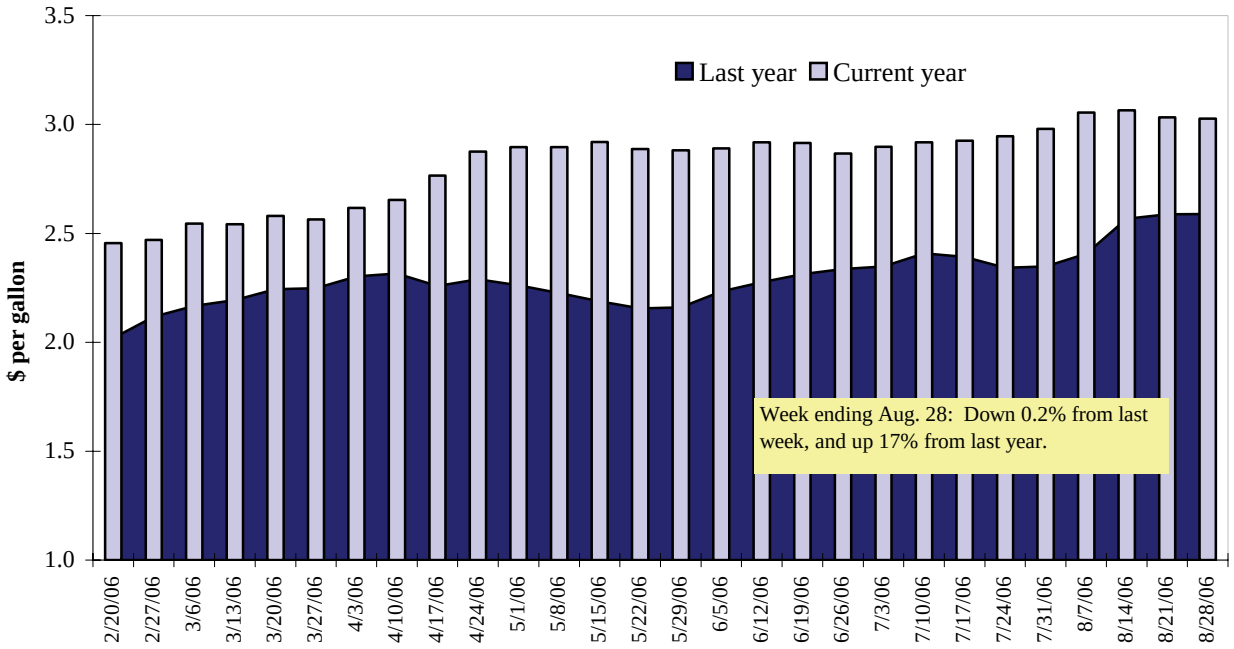
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
8/17/2006	764	484	1,159	783	263	3,454	5,305	1,451	10,210
This week year ago	2,376	361	1,177	819	83	4,815	3,799	853	9,467
Cumulative exports-crop year [2]									
2005/06 YTD	1,283	741	1,452	958	173	4,607	51,632	24,826	81,065
2004/05 YTD	2,247	555	1,660	555	207	5,224	43,931	29,686	78,841
YTD 2005/06 as % of 2004/05	57	134	87	173	84	88	118	84	103
Last 4 wks as % of same period 2004/05	37	127	95	92	335	73	169	196	123
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 08/17/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
Japan	2,872	16,917	16,286	4	16,429
Mexico	909	7,216	6,330	14	6,278
Taiwan	249	5,666	4,718	20	4,690
Egypt	240	4,236	4,505	(6)	4,563
Korea	391	5,666	2,213	156	2,268
Top 5 importers	**4,661**	**39,700**	**34,052**	**17**	**32,143**
Total US corn export sales	**6,538**	**56,937**	**47,730**	**19**	
Top 5 importers' share of U.S. corn export sales	71%	70%	71%		
USDA forecast, Aug. 2006	**54,610**	**53,340**	**46,180**	**16**	
Corn Use for Ethanol USDA forecast, Aug. 2006	**54,610**	**40,640**	**33,606**	**21**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 08/17/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	2,250	9,822	11,851	(17)	11,850
Mexico	135	3,710	3,552	4	3,579
Japan	524	3,174	3,268	(3)	3,289
Taiwan	85	2,040	1,578	29	1,585
Indonesia	0	1,224	1,022	20	1,079
Top 5 importers	**2,994**	**19,970**	**21,271**	(6)	**21,382**
Total US soybean export sales	**4,540**	**26,277**	**30,540**	**(14)**	
Top 5 importers' share of U.S. soybean export sales	66%	76%	70%		
USDA forecast, Aug. 2006	**29,670**	**25,310**	**29,856**	**(15)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 08/17/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
		- 1,000 mt -		- 1,000 mt -
Nigeria	969	1,551	(38)	3,098
Japan	1,141	1,090	5	3,061
Mexico	787	1,110	(29)	2,625
Iraq	0	745	(100)	1,237
Philippines	950	612	55	1,878
Egypt	581	526	10	1,952
Korea, South	462	419	10	1,191
Venezuela	271	280	(3)	1,085
Taiwan	338	329	3	953
Italy	316	237	33	748
Top 10 importers	**5,814**	**6,901**	**(16)**	**17,827**
Total US wheat export sales	**8,061**	**9,185**	**(12)**	
Top 10 importers' share of U.S. wheat export sales	72%	75%		
USDA forecast, Aug. 2006	**24,490**	**27,460**	**(11)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 08/24/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	190	7,023	6,514	108	95	81	10,801
Corn	191	6,957	6,901	101	91	126	10,130
Soybeans	64	3,046	3,460	88	561	876	6,225
Total	**445**	**17,026**	**16,875**	**101**	**109**	**120**	**27,156**
Mississippi Gulf							
Wheat	129	2,761	3,429	81	110	66	4,643
Corn	707	23,580	18,371	128	141	133	28,202
Soybeans	222	8,610	8,938	96	142	172	14,793
Total	**1,059**	**34,950**	**30,738**	**114**	**138**	**125**	**47,638**
Texas Gulf							
Wheat	25	3,761	4,487	84	45	45	7,743
Corn	89	1,565	364	430	302	672	812
Soybeans	0	27	6	470	n/a	n/a	36
Total	**115**	**5,353**	**4,857**	**110**	**68**	**71**	**8,591**
Great Lakes							
Wheat	40	774	1,048	74	66	49	2,067
Corn	16	1,067	276	387	1,017	226	796
Soybeans	0	62	27	227	n/a	492	828
Total	**56**	**1,902**	**1,351**	**141**	**204**	**115**	**3,691**
Atlantic							
Wheat	0	311	169	184	101	302	301
Corn	0	488	62	787	765	1,736	249
Soybeans	19	317	445	71	70	281	801
Total	**19**	**1,116**	**676**	**165**	**166**	**281**	**1,352**
U.S. total from ports[2]							
Wheat	384	14,630	15,647	94	79	66	25,556
Corn	1,004	33,656	25,974	130	137	141	40,189
Soybeans	305	12,062	12,877	94	189	227	22,683
Total	**1,693**	**60,347**	**54,497**	**111**	**122**	**119**	**88,428**

[1] Includes weekly revisions

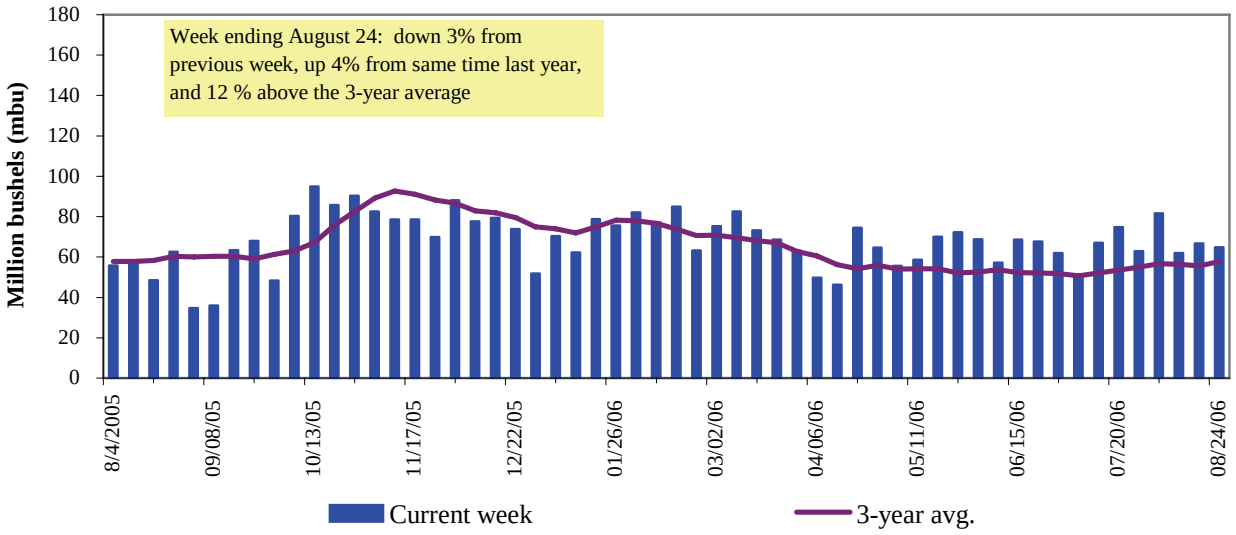
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

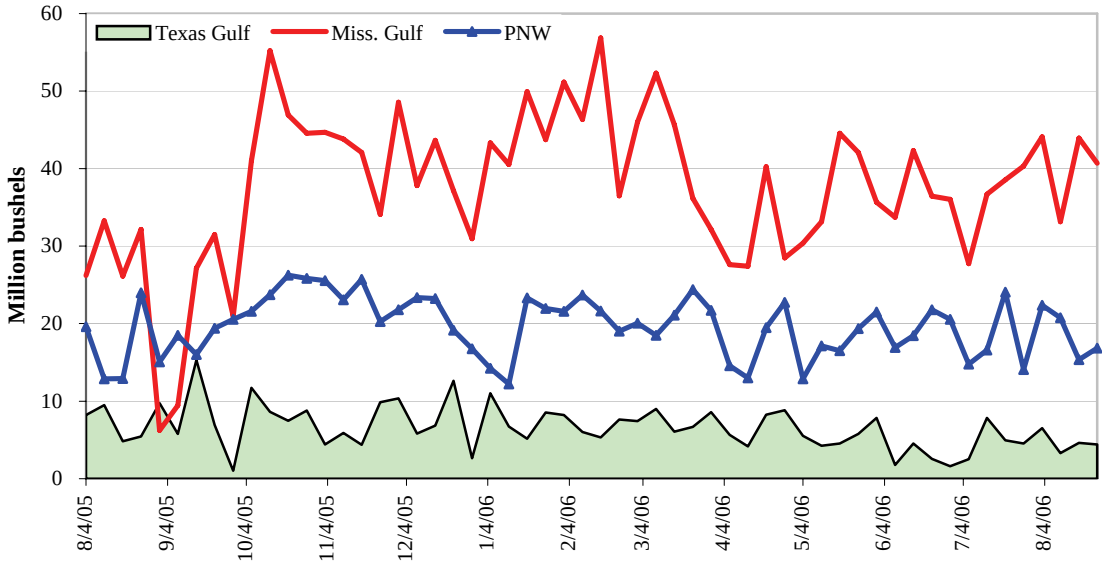


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Aug. 24, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 7	down 4	down 7	up 10
Last year (same week)	up 27	down 19	up 20	down 30
3-yr avg. (4-wk run. avg)	up 26	down 33	up 16	up 8

Table 17

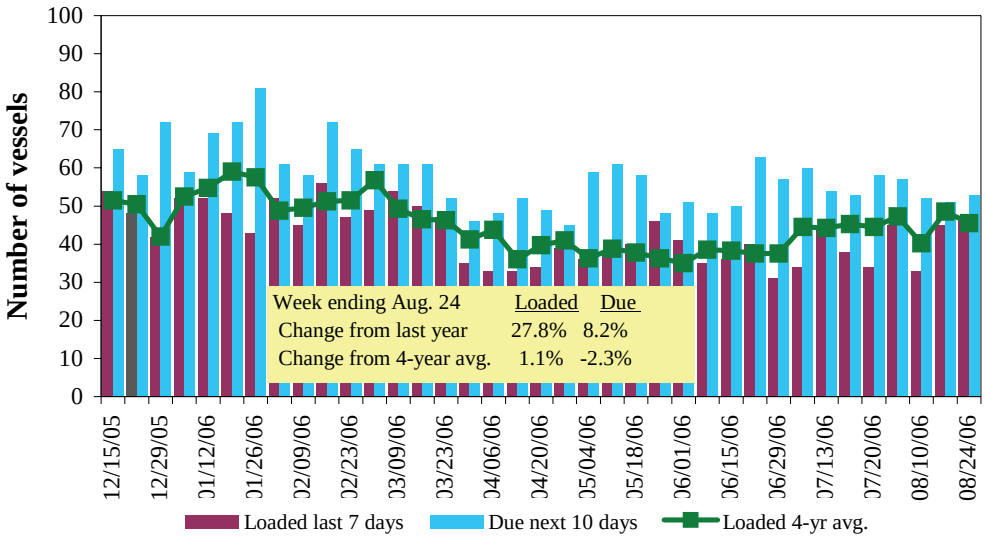
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
8/24/2006	29	46	53	2	5
8/17/2006	32	45	51	5	3
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

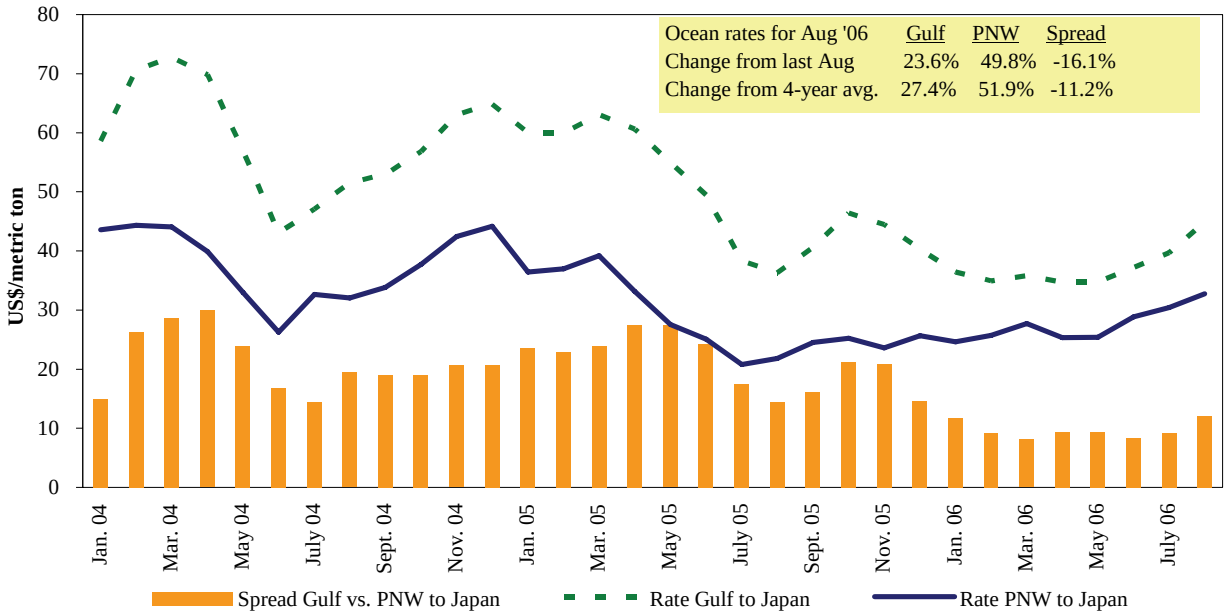
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

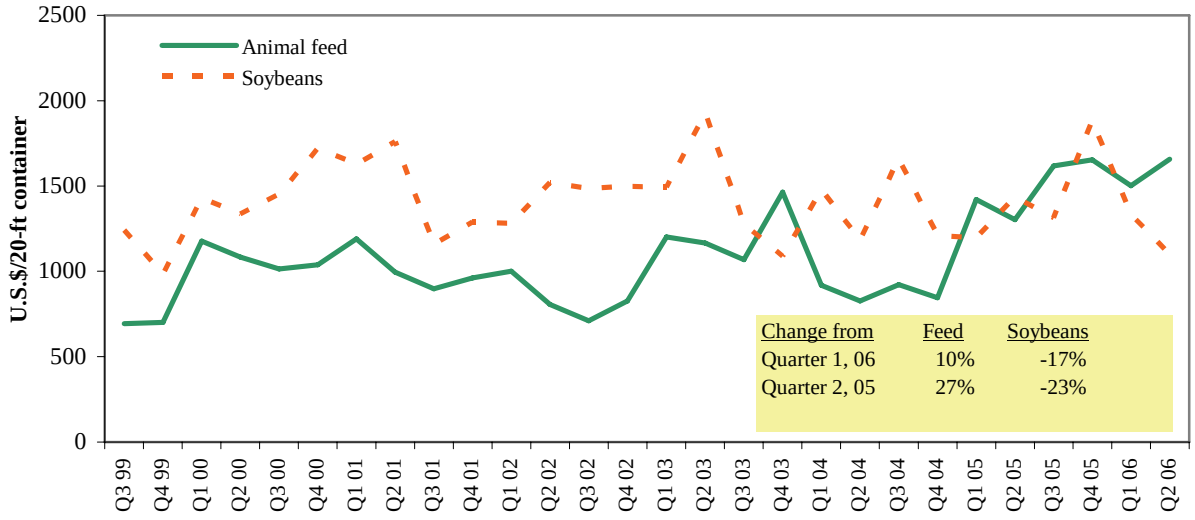
Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 8/26/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Canada	China	Barley	Sept 15/25	50,000	39.75
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



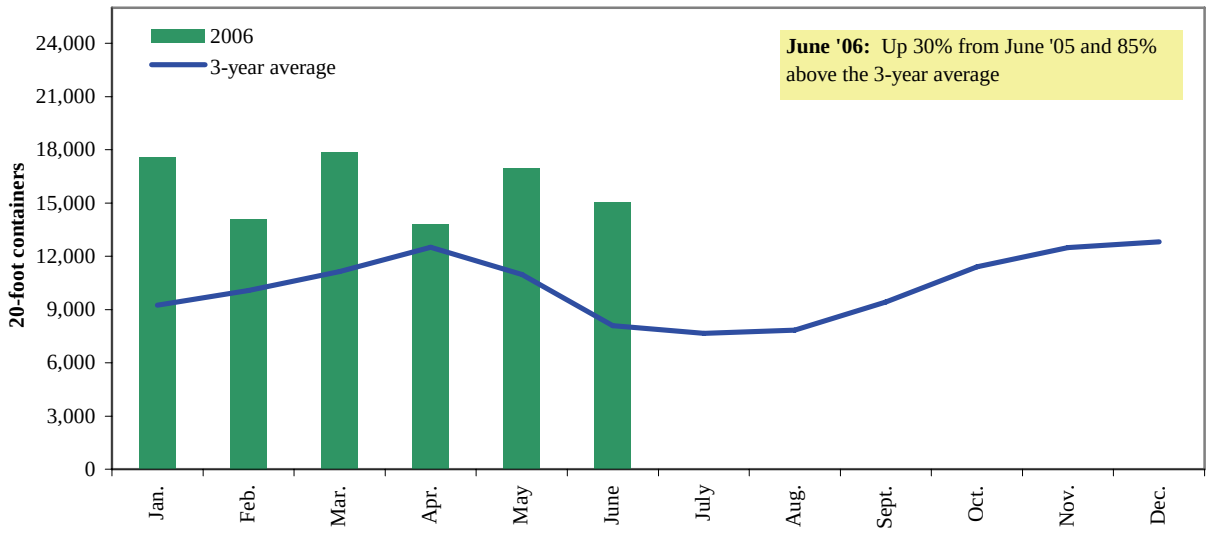
[1]Rates are weighted by shipping line market share and destination country.
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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